



Canyon Fuel
Company, LLC.
Sufco Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

Incoming, C0410002
3816
Ken May, General Manager
597 South SR 24
Salina, UT 84654
(435) 286-4400 - Office
(435) 286-4499- Fax

June 6, 2011

Permit Supervisor
Utah Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Re: West Lease Beltline Amendment – 2nd Submittal, Canyon Fuel Company, LLC, SUFCO
Mine C/041/0002, Task ID #3816

Dear Permit Supervisor:

As per the Division conditionally approval letter dated May 23, 2011, please find enclosed with this letter eight clean copies of the updated bonding calculation pages along with completed C1 and C2 forms.

If you have any questions or need additional information, please contact Mike Davis at (435) 286-4421.

Sincerely,
CANYON FUEL COMPANY, LLC
Sufco Mine

Kenneth E. May
General Manager

Encl.

KEM/MLD:kb

cc: DOGM Correspondence File

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RECEIVED
JUN 09 2011
DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: CANYON FUEL COMPANY, LLC

Mine: SUFCO MINE

Permit Number:

C/041/0002

Title: West Lease Beltline - 2nd Submittal

Description, Include reason for application and timing required to implement:

West Lease belt conveyor construction to begin June of 2011

Instructions: If you answer yes to any of the first eight questions, this application may require Public Notice publication.

- ☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: Disturbed Area: ☐ increase ☐ decrease.
- ☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO#
- ☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☐ Yes ☒ No 6. Does the application require or include public notice publication?
- ☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV #
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?

Explain:

- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?
- ☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☒ Yes ☐ No 15. Does the application require or include soil removal, storage or placement?
- ☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☒ Yes ☐ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☒ Yes ☐ No 19. Does the application require or include certified designs, maps or calculation?
- ☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
- ☒ Yes ☐ No 21. Have reclamation costs for bonding been provided?
- ☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?
- ☐ Yes ☒ No 24. Does the application include confidential information and is it clearly marked and separated in the plan?

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

KENNETH E. MAY

GENERAL MANAGER

Print Name

Position

Date

Signature (Right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 7 day of June, 2011

Notary Public: Jacquelyn Nebeker, state of Utah.

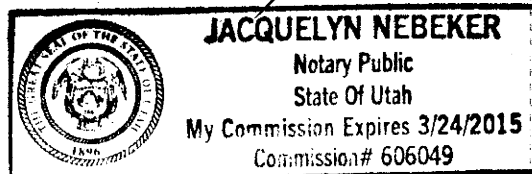
My commission Expires: 3/24/15

Commission Number: 606049

Address: 248 S 200 E

City: Richfield

State: UT Zip: 84701



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

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DIV. OF OIL, GAS & MINING

Form DOGM - C2 (Revised December 10, 2007)

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,139,895.00
Subtotal Backfilling and Grading	\$548,005.00
Subtotal Revegetation	\$171,967.00
Direct Costs	\$1,859,867.00

Indirect Costs

Mob/Demob	\$185,987.00	10.0%
Contingency	\$92,993.00	5.0%
Engineering Redesign	\$46,497.00	2.5%
Main Office Expense	\$126,471.00	6.8%
Project Mainagement Fee	\$46,497.00	2.5%
Subtotal Indirect Costs	\$498,445.00	26.8%

Total Cost	\$2,358,312.00
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Escalation factor	0.017
Number of years	5
Escalation	\$207,389.00

Reclamation Cost Escalated	\$2,565,701.00
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Bond Amount (rounded to nearest \$1,000) 2016 Dollars	\$2,566,000.00
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Posted Bond	\$2,874,000.00
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Difference Between Cost Estimate and Bond	\$308,000.00
Percent Difference	10.72%

Ref.	Description	Materials	Means Reference Number	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Ambulance Garage																		\$2,504.00
	Belt Deicer Tank																		\$13.00
	Blast Channels A																		\$143,211.00
	Blast Channels B																		\$53,488.00
	Bulk and Used Oil Storage																		\$1,518.00
	Cap Magazine																		\$22.00
	Chlorinator Bld																		\$18.00
	Covered Storage*																		\$0.00
	Diesel Tank																		\$985.00
	Drainage Culverts																		\$25,340.00
	Electrical Bld																		\$602.00
	Fan																		\$7,761.00
	Fire Water Tank 300000 Gal																		\$11,128.00
	Fuel Dock																		\$928.00
	Guard House																		\$349.00
	Loadout Belt																		\$2,583.00
	Lower Stacker Coal Storage																		\$2,149.00
	Lump Coal Belt																		\$533.00
	Lump Coal Storage																		\$2,139.00
	No 1 Belt																		\$3,404.00
	Office Building																		\$67,377.00
	Pavement Removal																		\$29,153.00
	Powder Magazine																		\$22.00
	Pulley Racks *																		\$0.00
	Pump Houses																		\$972.00
	Riprap Filter Fabric																		\$259,568.00
	Rock Dust Bin																		\$3,557.00
	ROM Coal Storage																		\$21,139.00
	ROM MCC Bld																		\$1,022.00
	Sampler Building																		\$991.00
	Sand and Silt Storage																		\$1,001.00
	Seal Portals																		\$62,400.00
	Sediment Trap																		\$1,533.00
	Septic Tanks																		\$0.00
	Shelves *																		\$0.00
	Shop and Warehouse																		\$80,022.00
	Shop Garage																		\$11,941.00
	Shop Office																		\$2,322.00
	Side Release Tank																		\$2,322.00
	Steam Cleaner Building																		\$161.00
	Stoker Belt																		\$7,713.00
	Stoker Bin																		\$1,104.00
	Stoker Coal Storage																		\$6,755.00
	Stoker Oil Tanks																		\$4,264.00
	Storage Trailers																		\$1,539.00
	Substation Lower*																		\$1,256.00
	Substation Upper*																		\$72,822.00
	Ticket Printers																		\$0.00
	Tipple Building																		\$69.00
	Tipple MCC Building																		\$36,194.00
	Tipple Office Building																		\$2,759.00
	Transfer Building																		\$3,161.00
	Trash Pit																		\$10,303.00
	Truck Loader Bin																		\$542.00
	Truck Scale																		\$1,665.00
	Water Tank Upper																		\$38,352.00
	Water Tank Lower																		\$0.00
	West Lease Tunnels & Belt																		\$0.00
	Link Canyon Facilities																		\$83,424.00
	Link Canyon Portals																		\$8,042.00
	Link Canyon Substation																		\$39,150.00
	Fourth East Facilities																		\$2,591.00
	Fan Generator Building																		\$18,068.00
	Four East Fan																		\$0.00

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	West Lease Tunnels & Belt																			
	Structure's Vol. Demolished-Large Truss	Steel Bld. Large	02220 110 0012	0.31 /CF	CF	163	14	12										30744	CF	9531
	Structure's Vol. Demolished-Med Truss	Steel Bld. Large	02220 110 0012	0.31 /CF	CF	139	8.3	9										10383	CF	3219
	Structure's Vol. Demolished-Reg Truss	Steel Bld. Large	02220 110 0012	0.31 /CF	CF	352	8.3	3.5										10226	CF	3170
	Structure's Vol. Demolished	Steel Bld. Large	02220 110 0012	0.31 /CF	CF	30	24.5	4										2940	CF	911
	Structure's Vol. Demolished																0.1	201	CY	
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Disposal Cost Non Steel Drive																			
	Disposal Cost Non Steel																			
	Shells Weight																			
	Truck's Capacity											16				CY		13	Trps	
	Haulage																			
	Transportation Cost Steel Truck	Truck dump 18 ton payload	01590 200 5300	718.44 /day	day															3089
	Disposal Cost Steel	Truck Driver, Heavy	Thw	\$50.55	HR															1739
	Disposal Cost Steel																			
	Equipment's Disposal Cost																			21699
	Dismantling Cost																			
	Equipment's Vol. Demolished																			
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Concrete Demolition - Belt																			
	Demolition Cost	Concrete demolition	ConcreteDemo1	11.38 /CY	CY						20					CY		20	CY	228
	Concrete's Vol. Demolished																1.3	26	CY	28
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.06 /CY	CY															28
	Transportation Cost	12 CY (16 Ton) Dump Truck 12 mi. md. trip	02315 400 0320	2.9 /CY	CY															28
	Disposal Costs	On site disposal	02220 240 3550	9.15 /CY	CY															238
	Concrete Demolition - Tunnels																			
	Demolition Cost	Concrete demolition	ConcreteDemo1	11.38 /CY	CY															24501
	Concrete's Vol. Demolished										2153					CY		2153	CY	24501
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.06 /CY	CY												1.3	2789	CY	2567
	Transportation Cost	12 CY (16 Ton) Dump Truck 12 mi. md. trip	02315 400 0320	2.9 /CY	CY															817
	Disposal Costs	On site disposal	02220 240 5550	9.15 /CY	CY															25611
	Concrete Demolition																			6118
	Demolition Cost	Concrete demolition																		
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Total																			6424